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PROGRAM CBS Evening News STATION WDVM-TV
CBS Network

DATE April 21, 1983 7:00 PM CITY Washington, DC

SUBJECT William Casey, Part Owner Synfuels Project

DAN RATHER: Now about a North Carolina fishing community where John Sheahan reports that funding for a synthetic fuel program is fueling debate about what the local environment may stand to lose and what at least one national government official may stand to gain.

JOHN SHEAHAN: When a group of companies said that vast tracts of worthless North Carolina peat could be turned into alcohol, the Federal Government's Synthetic Fuels Corporation listened, to the tune of \$465 million in tentatively approved loans and price guarantees.

JAMES HARRIS: Ultimately, the vehicles will be powered and will run on a hundred percent methanol. We've had a number of cars running in California, my company has now for several months, with excellent results, running on a hundred percent methanol.

SHEAHAN: If all goes well with the Peat Methanol Associates Project, all those who got in on the ground floor of the subsidy program stand to become very rich, and that includes a handful of present and former government officials; among them, William Casey, Director of the Central Intelligence Agency, and four former officials of the Nixon and Ford Administrations.

Crab fisherman Wayne Brady is not impressed.

WAYNE BRADY: It's the taxpayer nationwide who's getting taken on this deal. Just a few people are going to

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make the money off it, and leave us holding an empty bag when they leave.

SHEAHAN: North Carolina fishermen are afraid that millions of gallons in fresh water runoff from draining the peat moss will take away their livelihood destroying the spawning grounds of fish. They're also worried about the mercury content of that water in samples tested by Peat Methanol.

MAN: And there's just no way you'd be able to eat the crabs or the oysters, fish, shrimp, or any of it.

SHEAHAN: Of great concern in the fishing villages and marinas is that many details of the methanol project are secret. Subsidized synfuels plans are exempt from scrutiny by the Environmental Protection Agency and exempt from the Freedom of Information Act.

LARRY GREGORY: We come down here and tell you what we would like to do. We come down here and we spend a lot of time and money.

SHEAHAN: In a series of public meetings, company experts have been trying to win over the fishermen.

LONNY LAWRENCE: But you can rest assured that we do understand your concern.

MAN: You're taking a hell of a chance with my living and everybody sitting up here.

SHEAHAN: Despite the opposition, Peat Methanol maintains that with Synfuels Corporation backing, there is no law requiring extensive environmental studies before the project gets underway.

John Sheahan, CBS News, Mattamuskeet, North Carolina.